

Foreign Agricultural Service *GAIN* Report

Global Agriculture Information Network

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GAIN Report #BE1041

Date: 10/1/2001

Belgium-Luxembourg Market Development Reports Belgian Flax Harvest Reduced by Half 2001

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Report Highlights:

Due to adverse weather conditions, flax harvest is reduced by half.

Includes PSD changes: No Includes Trade Matrix: No Unscheduled Report The Hague [NL1], BE The consequences of the very wet weather in September for the fibre flax industry is becoming clear. 8,500 hectares (Ha) of this year's 16,900 hectares flax fibre area is lost because it is rotting in the rain soaked fields.

Over the last several years, flax fibre has become very popular again, mainly for female clothing. Prices for flax fibers have soared and planted areas have increased from 12,003 Ha in 1999 16,900 Ha in 2001. Due to a very wet spring, flax plantings began only in early May compared to a normal drilling period of late March-early April. Therefore, the Flax Union has asked Minister Neyts, Minister of Trade and Agriculture, to declare a state of emergency for the flax industry, allowing them to obtain monetary compensation. The flax industry claims they need it because they invested in expanded acreage and machinery last year in anticipation of rising production.

OAA comments

Flax fiber is grown in Belgium, Northern France and Eastern Europe. The Belgian and also the French crop have suffered great losses. Demand is expected to increase flax fiber prices dramatically.